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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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09/166,779 10/06/98 WOOLSTON

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EXAMINER

TM02/0619

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ART UNIT

PAPER NUMBER

2164
DATE MAILED:

06/19/01

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

Office Action Summary

Application No.

09/166,779

Applicant(s)

WOOLSTON, THOMAS G.

Examiner

Charles Kyle

Art Unit

2164

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 05 January 2001.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 11-12, 14-20 and 81-140 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 11-12, 14-20 and 81-140 is/are rejected.
- 7) ☒ Claim(s) 136, 137 and 140 is/are objected to.
- 8) ☐ Claims _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are objected to by the Examiner.
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

- 15) ☒ Notice of References Cited (PTO-892)
- 16) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 17) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 18, 19.
- 18) ☐ Interview Summary (PTO-413) Paper No(s). _____.
- 19) ☐ Notice of Informal Patent Application (PTO-152)
- 20) ☐ Other: _____.

DETAILED ACTION

Claim Objections

Claims 136, 137 and 140 are objected to as they recite a system in the preamble but recite only method steps in the claims themselves. A statement for the record as to whether the claims are apparatus claims or method claims will resolve the issue.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

Claims 81, 82, 88-91, 101, 119-122, 124, 127-129, 137 and 140 are rejected under 35 U.S.C. 102(e) as being anticipated by **Ginter et al.**

As to Claim 81, Ginter et al disclose the invention as claimed including:

A method for using a computer system (Fig. 96, Col. 20, lines 48-66) to facilitate a transaction between a seller and at least one buyer, the method performed by the computer system comprising:

Presenting to a plurality of potential buyers (Col. 46, line 58) a binding offer to sell an item (Col. 54, line 15 to Col. 55, line 59) the presented binding offer to sell including at least a binding offer price (Col. 51, lines 7-9) (See also Col. 7, lines 14-15 and Col. 9, lines 18-20 and 27-40);

Receiving from at least one buyer a binding acceptance of the binding offer, the received binding acceptance including payment information sufficient to authorize payment of the offer price to a third party (Col. 54, line 15 to Col. 55, line 59, particularly Col. 54, lines 39-45).

Concerning Claim 82, Ginter et al disclose payment information at Col. 59, lines 48-50 and Col. 47, lines 21-27.

Regarding Claim 88, Ginter et al disclose a third party by whom the computer system is operated at Col. 55, lines 19-45 and Col. 20. Lines 48-66.

Concerning Claim 89, Ginter et al disclose a third party independent of the seller at Col. 55, lines 33-45.

As to Claim 90, Ginter et al disclose receiving by the third party, payment from the buyer using payment information at Col. 55, lines 33-41.

Regarding Claim 91, Ginter et al discloses payment from the third party to the seller at Col. 51, lines 23-25.

Regarding Claim 101, it is inherent that the binding offer would have been received from the seller before it was forwarded to the plurality of potential buyers.

Regarding Claim 119, see the discussion of Claim 81 above and Ginter et al further disclose receiving a binding counteroffer at Col. 51, line 13-17.

Concerning Claims 120 and 121, see the discussion of Claim 119 above and Ginter et al discloses specification of an expiration date at Col. 48, line 64.

As to Claim 122, Ginter et al disclose the notification of seller by a third party of a counteroffer's existence at Col. 51, lines 13-17.

Regarding Claim 124, Ginter et al disclose a third party independent of buyer and seller by whom the computer system is operated at Col. 55, lines 19-45 and Col. 20, Lines 48-66.

Concerning Claims 127 and 128, Ginter et al disclose direct payment of the counteroffer price at Col. 51, lines 1-35.

Regarding Claim 129, Ginter et al disclose indirect payment through a third party at Col. 54, lines 39-45.

As to Claim 137, it is the system form of Claim 81 and is rejected in a like manner. See also Ginter et al, Fig. 96 and related text.

Concerning Claim 140, it is the system form of Claim 119 and is rejected in a like manner.

Claims 130 and 136 are rejected under 35 U.S.C. 102(e) as being anticipated by **Lawrence**.

As to claim 130, Lawrence discloses the invention as claimed including a method for using a computer system to facilitate offering items for sale in an electronic commerce exchange (Abstract, Summary and Col. 6, lines 1-20), the method including;

Receiving from a seller an identifier associated with an item that the seller is offering for sale (Col. 6, lines 6-20; Col. 6, line 66 to Col. 7, line 3);

Accessing a database using the received identifier to retrieve a data record descriptive of the item (Col. 7, line 63 to Col. 8, line 7);

Presenting to a plurality of buyers a description of the item for sale based on the retrieved data record (Col. 8, line 8-14).

As to Claim 136, it is the system form of Claim 130 and is rejected in a like manner.

Claim Rejections - 35 USC § 103

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claims 11-12, 14, 16-17 and 19-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Nahan et al (5,664,111) in view of "Save the Earth Foundation: Internet Online Rock and Roll Art Auction Celebrating Earth Day is Declared Open to the World for One Month ("Save the Earth").

As to claims 11-12, 14 and 16, Nahan discloses

a plurality of electronic images of works of art which are for sale are created by at least one listing dealer and stored on the storage equipment associated with the main computer (see abstract lines 4-7);

a system that provides member dealers access to an extensive and diverse collection of artwork. . . , offering member dealers the opportunity to sell their inventory throughout the world. It enables artists to offer their work for sale directly through any member dealer (see col. 2, lines 50-58);

a transparency of the artwork is scanned and indexed with information about the artist, the artwork and keywords describing the work (see col. 6, lines 49-51);

if the buyer knows the title of a work he wants to buy, that can be input via the screen (see col. 8, lines 1-3); if the buyer is interested in the works of a particular artist, that too can be input via the screen (see col. 8, lines 26-28);

an order acceptance notification is electronically conveyed to the buying dealer as well as an inquiry as to any change in the buyer dealer's default shipping instructions . . . the system requests that the buying dealer wire transfer funds to pay for the purchased work. At this time, the listing dealer can issue modified wire transfer instructions such as name and address of bank to receive funds... The system will electronically acknowledge receipt of the modification with a wire transfer change notice to the listing dealer 528. (The buying dealer can also effect changes in the wire transfer instructions for the source of money in the same manner.) The transfer is preferably made to an escrow account maintained by the system purveyor. (see col. 13, line 55 to col. 14, line 5);

a client can reserve one or more selected works for a period of time (see col. 11, lines 37-41);

if the customer decides to make the purchase, notification is instantly sent throughout the global network and that particular work is no long available for sale (see col. 3, lines 57-59);

new client information can be entered at virtually any time during use of the system. After the new client option is selected, the user can enter detailed client information nay time he/she wishes (see col. 12, lines 6-10).

Nahan et al is vague in disclosing the limitation of "accepting said binding counteroffer from said at least one buyer by said seller" Although not specifically taught in Nahan et al, a transactional system that consists of an auction by nature receive bids from buyers. The bids will consist of offers for a certain price and another bid from another perspective buyer will consist of a counteroffer and will end at some point in time to award the item for sale to the highest bidder. However, Save the Earth discloses participants are able to receive bids on items over the Internet (see paragraph 5, lines 1-3); items for auction are presented via the world wide web (see paragraph 3 and 4). Thus, it would have been obvious to one having ordinary skill in the art at the time of the invention to have implemented the transaction system of Nahan et al into an auction mode in order to provide an offer and counteroffer from perspective buyers in an auction system for the collective artwork of Nahan et al because Save the Earth provides a well established means of bidding for items in an auction mode.

As to claims 17 and 19, Nahan et al discloses an order acceptance is conveyed to the buying dealer as well as an inquiry as to any change in the buying dealer's default shipping instructions . . . The system will electronically acknowledge receipt of the modification with a wire transfer change notice to the listing dealer (the buying dealer can also effect changes in the wire transfer instructions for the source of money in the same manner). The transfer is preferably made to an escrow account maintained by the system purveyor (see col. 13, lines 56-67 to col. 14, lines 1-5).

As to claim 20, Nahan et al discloses property selection means, associated with each of the intelligent terminals for randomly, generally or specifically selecting one or more pieces of property for review; and property purchase means for automatically generating forms and instructions for the complete payment and transfer of title of selected property (see col. 19, lines 61-67).

Claims 15 and 18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Nahan et al in view of Save the Earth as applied to claim 11 above, and further in view of Official Notice.

As to claims 15 and 18, Nahan et al discloses a delisting fee charge that the system automatically generates the necessary paperwork (see col. 15, lines 37-38); the listing dealer has significant advantages when he can sell artwork from his own inventory to a customer (e.g., higher profit margin) (see col. 15, lines 44-47); Official Notice is taken that the payment information identifies credit card payment information. Although not specifically taught in Nahan et al, determining and designating a payment method in transactions or auctions is generally recognized as routine knowledge among skilled artisans within the transactional art. When processing a transaction via credit card, a central clearinghouse determines the status of an account identified by the particular cardholder. Similarly, when processing a transaction via transfer of money, the other bank is called upon for a transfer to the account of the payee. This interbank transfer operation may run through a central clearing house to verify if the account contains sufficient funds to cover the transaction. Thus, it would have been obvious to

one skilled in the art at the time of the invention to incorporate processing the payment information in the form of a credit card payment in order to provide an efficient means of verifying the payment of the buyer and to enable authorization from a bank or clearing house to transfer funds for payment.

Claim 83, 93-99, 100, 108-110, 116-118, 123, 125-126, and 138-139 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Ginter et al.**

As to Claim 83, see the discussion of Claim 82 above and it would further have been obvious to have provided authorization to debit an account through the use of an account identifier because this would have uniquely identified the account to be used for payment.

As to Claim 93, see the discussion of Claim 81 above and Ginter et al further disclose maintenance of confidential information in their system. They discuss the requirement for confidential treatment of information at such cites as Col. 46, lines 49-52, Col. 53, lines 45-55 and Col. 7, lines 58-67. It would have been obvious to one of ordinary skill in the art at the time of the invention to have to have included the maintenance of confidence disclosed by Ginter et al to maintain confidential payment information because this would have given buyers assurance that their payment information would not have been stolen and misused. A major concern with electronic payments has always been security, and assuring a buyer that his or her account numbers would not be stolen would have been critical to user acceptance of them.

As to Claims 94-99 and 116, see the discussion of Claim 118 below.

Concerning Claims 96 and 100, Ginter et al disclose an auction in their method at Col. 43, lines 28-29.

As to Claim 108, see the discussion of Claim 81 above and Ginter et al further disclose maintenance of confidential information in their system. They discuss the requirement for confidential treatment of information at such cites as Col. 46, lines 49-52, Col. 53, lines 45-55 and Col. 7, lines 58-67. It would have been obvious to one of ordinary skill in the art at the time of the invention to have to have included the maintenance of confidence disclosed by Ginter et al to maintain confidential payment information because this would have given buyers assurance that their payment information would not have been stolen and misused. A major concern with electronic payments has always been security, and assuring a buyer that his or her account numbers would not be stolen would have been critical to user acceptance of the method.

Concerning Claim 109, see the discussion of Claim 108 above, and Ginter et al further disclose a third party as a trusted intermediary at Col. 22, line 49 to Col. 23, line 6.

As to Claim 110, Ginter et al teach a third party independent of the buyer and seller at Col. 9, lines 16-18.

Regarding Claim 117, it is inherent that the binding offer would have been received from the seller before it was forwarded to the plurality of potential buyers.

Concerning Claim 118, it would have been obvious to one of ordinary skill in the art at the time of the invention to have allowed the buyer to post the item for re-sale or

auction without taking delivery of the item for several reasons. First, this would have allowed buyers to speculate, by purchasing an item in the hope for a rapid and profitable resale at a higher new price. Second, if a buyer intended such a re-sale, it would have been counterintuitive to have made him pay for shipping to his residence only to have shipped the item again on re-sale. Finally, the third party need not have stood any loss, for warehousing expense could be built into fees. For these reasons, allowing the buyer to re-post for resale or auction without taking delivery of the item would have been obvious.

As to Claim 123, It would have been obvious to one of ordinary skill in the art at the time of the invention to have allowed the seller to accept or reject a binding counteroffer, because the original offer would have been declined and it would only have been fair for the seller to have a choice to accept or reject new conditions.

Concerning Claim 125, see the discussion of Claim 109 above.

As to Claim 126, see the discussions of Claims 108 and 124.

Concerning Claim 138, see the discussions of Claims 108 and 137 above.

Regarding Claim 139, see the discussions of Claims 137 and 118 above.

Claims 84-87, 92 and 111-115 is rejected under 35 U.S.C. 103(a) as being unpatentable over **Ginter et al** in view of **Sold, The Professional's Guide to Real Estate Auctions**, hereinafter **Sold**.

Concerning Claim 84, Ginter et al teaches the invention substantially as claimed. See the discussion of Claim 81 above. Ginter et al do not disclose payment of a

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transaction fee to a third party. Sold discloses a third party transaction fee at pages 247-248. It would have been obvious to one of ordinary skill in the art at the time of the invention to have received payment information to enable a transaction fee to be paid to a third party because this would have made the efforts of the third party economically viable.

As to Claim 85, see the discussion of Claim 84 above and Sold further discloses a fee independent of the binding offer price at page 248, line 1-3.

Regarding Claims 86 and 87, see the discussion of Claim 84 above and Sold further discloses a fee related to the binding offer price and also a percentage of the binding offer price at page 247, last three lines of page 247.

With respect to Claim 92, see the discussion of Claim 84 above.

As to Claims 111, 112, 113, 114, and 115 see the discussions above of Claims 84, 92, 92, 85, 86, 87 above in light of the discussion of Claim 108.

Claims 102-107 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Ginter et al** in view of **Lawrence**.

As to Claim 102, Ginter et al discloses the invention substantially as claimed. See the discussion of Claim 81 above. Ginter et al do not disclose in detail the receiving of information from the seller descriptive of the item. Lawrence discloses such detail at Col. 7, line 63 to Col. 8, line 7. It would have been obvious to one of ordinary skill in the art at the time of the invention to have had the seller provide information descriptive of the item before presenting the binding offer to potential buyers as

disclosed by Lawrence in the method of Ginter et al because this would have allowed potential buyers to have considered the nature of the item before committing to its purchase.

As to Claim 103, Ginter et al discloses the invention substantially as claimed. See the discussion of Claim 81 above. Ginter et al do not disclose in detail the receiving of an identifier from the seller associated with the item. Lawrence discloses such detail at Col. 6, line 66 to Col. 7, line 14. It would have been obvious to one of ordinary skill in the art at the time of the invention to have received from the seller an identifier associated with the item before presenting the binding offer to potential buyers as disclosed by Lawrence in the method of Ginter et al because this would have allowed potential buyers to have uniquely identified the item before committing to its purchase.

As to Claim 104, see the discussion of Claim 103 above and Lawrence further discloses an index into a database to retrieve information descriptive of an item at Col. 6, line 66 to Col. 7, line 30.

Concerning Claim 105, see the discussion of Claim 103 above and Lawrence further discloses data records previously created based on prior transactions at Col. 7, lines 48-53.

Concerning Claim 106, see the discussion of Claim 103 above and Lawrence further discloses a database created by an independent entity at Col. 7, lines 21-29.

As to Claim 107, See the discussion of Claim 103 above and Lawrence further discloses third party maintenance of the database at Col. 7, lines 48-53.

Claims 131 -135 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Lawrence** in view of **Ginter et al.**

As to Claim 131, Lawrence discloses the invention substantially as claimed. See the discussion of Claim 130 above. Lawrence also discloses presenting offers to sell to a plurality of buyers (Col. 8, lines 8-11). Lawrence does not specifically disclose that the offer to sell is binding. Ginter et al disclose a binding offer to sell as set forth in the discussion of Claim 81. It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the binding offer features disclosed by Ginter et al in the system of Lawrence because this would have assured traders that their trades would indeed go to completion.

As to Claim 132, see the discussion of Claim 131 above and Ginter et al further discloses receiving from at least one buyer a binding acceptance of the binding offer, the received binding acceptance including payment information sufficient to authorize payment of the offer price to a third party (Col. 54, line 15 to Col. 55, line 59, particularly Col. 54, lines 39-45).

Regarding Claim 133, see the discussions of Claims 130 and 105.

As to Claim 134, see the discussions of Claims 130 and 106.

Concerning Claim 135, see the discussions of Claims 130, 107 and 88.

Response to Arguments

Applicant's arguments filed January 5, 2001 have been fully considered but they are not persuasive. The rejections of Claims 11-12 and 14-20 are maintained.

Applicant addresses the rejection of Claim 11 at pages 16-17 of the Amendment filed January 5, 2001. Applicant discusses the nature of the Nahan reference and at the first full paragraph of page 17 argues that the listings in Nahan's system are not binding offers. The Examiner observes that Applicant's claim language repeatedly recites the word "binding", but Applicant fails to provide specific evidence of how his invention distinguishes over the cited art of record. A thorough review of Applicant's specification reveals that the word "binding" is not present nor is any detailed description of how buyer and seller are bound in any way distinguished over the references cited; no particular legal forms or procedures are disclosed by Applicant in a process constituting a binding offer to sell, buy or counteroffer. The Examiner observes that Applicant cites page 33, lines 2-20 as support for the binding feature recited in Claim 11 and also notes that Nahan discloses analogous features in similar detail at Column 13, lines 30-55. Specifically, Nahan discloses an offer to sell (Column 13, line 30), an acceptance of the offer to sell (Column 13, line 38) and consideration (Column 13, lines 45-47), which elements constitute a complete contract for the sale of an item and can be considered equally as binding as that disclosed and claimed by Applicant.

Further, Applicant cites several features from Nahan's specification which he implies constitute only an invitation to deal. The Examiner observes that the features cited by Applicant in bolding are inherent to any sales transaction, binding or not; it is impossible to force the sale of an item which is unavailable. They constitute simple prudent processes which are also disclosed as necessary by Applicant's own specification at such points as Page 19, lines 20-22.

As to Applicant's argument regarding Nahan's supposed failure to disclose or suggest a buyer's accepting a binding offer for sale by tendering payment, it ignores the possibility that a buyer may also be the buying dealer, a not uncommon situation in the environment of Nahan's invention. Applicant's claim language does not preclude this possibility so it does not distinguish over the Nahan reference. As well, when the dealer in Nahan tenders payment on behalf of a buyer, the payment is made in the expectation that the buyer will either reimburse the dealer or not receive the item of purchase. Thus, the buyer tenders acceptance by providing payment through the dealer. Applicant's claims recite no special features, such as a special dealer account or escrow account which might distinguish over the cited art of record.

As to Applicant's arguments regarding Claims 81, 137, 108, 118, 119, 140, 130 and 136, the claims are new to the case, recite features new to the claimed invention and have been rejected using new art. Applicant's arguments regarding these claims are therefore moot.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the

shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Charles Kyle whose telephone number is (703) 305-4458. The examiner can normally be reached on Monday - Friday, 8:30 - 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone numbers for the organization where this application or proceeding is assigned are (703) 308-9051 for regular communications and (703) 308-9051 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 305-3900.

crk
crk

June 15, 2001


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